

is not simultaneously terminated, shall have no effect on the mortgage insurance contract.

(e) *Reinstatement.* Where the assistance payments contract is suspended, it may be reinstated by the Secretary at the Secretary's discretion and on such conditions as the Secretary may prescribe. To be eligible for reinstatement under this section, the mortgagor or cooperative member must meet the requirements for the disclosure and verification of Social Security Numbers, as provided by part 200, subpart T, of this chapter, and the requirements for the signing and submitting of consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, as provided by part 200, subpart V of this chapter.

(Approved by the Office of Management and Budget under control numbers 2502-0204, 2502-0267, 2502-0268, and 2577-0083)

[41 FR 1178, Jan. 6, 1976, as amended at 43 FR 60157, Dec. 26, 1978; 46 FR 56422, Nov. 17, 1981; 51 FR 11219, Apr. 1, 1986; 53 FR 846, Jan. 13, 1988; 54 FR 39695, Sept. 27, 1989; 55 FR 11905, Mar. 30, 1990; 56 FR 7530, Feb. 22, 1991; 61 FR 13624, Mar. 27, 1996]

§ 235.499 Effect of amendments.

The regulations in this subpart may be amended by the Secretary at any time and from time to time, in whole or in part, but such amendment shall not adversely affect the interest of a mortgagee under an existing contract for assistance payments. The effective date of these regulations is January 5, 1976.

Subpart D—Rehabilitation Sales Projects

§ 235.501 Applicability of regulations.

The regulations regarding eligibility requirements, contract rights and obligations, and assistance payments for rehabilitation sales projects in force before December 8, 1995, will continue to govern the rights and obligations of mortgagors, mortgagees, and the Department of Housing and Urban Development with respect to loans insured under section 235(j) of the National Housing Act.

[60 FR 56500, Nov. 8, 1995]

Subparts E-F [Reserved]

Subpart G—Servicing Responsibilities—Homes for Lower Income Families

§ 235.1000 Cross-reference.

All of the provisions of subpart C, part 203 of this chapter covering mortgages insured under section 203 of the National Housing Act apply to mortgages insured under section 235 of the National Housing Act.

[42 FR 29306, June 8, 1977]

§ 235.1001 Providing information.

The statement of interest paid and taxes disbursed furnished by the mortgagee to the mortgagor pursuant to § 203.508(c) of this chapter shall include, or be accompanied by, an accounting of the total amount of assistance payments paid by the Secretary and applied to the mortgagor's account during the preceding year. Such accounting will be provided in a manner which indicates (or permits the mortgagor readily to compute) the excess of the total amount of interest payments made during the year over the amount of the assistance payments made by the Secretary. The foregoing accounting shall contain, or be accompanied by, notification regarding the deductibility of interest payments made by the mortgagor in substantially the following language: "If you itemize deductions on your income tax returns, please read this notice. Under § 1.163-1(d) of Federal Income Tax Regulations, you, as the borrower, may deduct for Federal income tax purposes only that part, if any, of mortgage interest payments made during the year which exceeded the amount of assistance payments made by HUD during the year. You are urged to contact your tax advisor or State and local tax offices for guidance regarding the deductibility of payments on your State or local income tax returns."

(Approved by the Office of Management and Budget under control number 2502-0235)

[48 FR 28986, June 24, 1983]